

**PROPERTY ASSESSMENT APPEAL BOARD**  
**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 2019-092-10007R

Parcel No. 10-13-276-013

**James and Rhonda Brown,**

Appellants,

vs.

**Washington County Board of Review,**

Appellee.

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**Introduction**

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on February 7, 2020. James and Rhonda Brown were self-represented. Washington County Attorney John Gish represented the Board of Review.

James and Rhonda Brown own a residential property located at 129 Alegre Lane, Washington. The property's January 1, 2019, assessment was set at \$264,700, allocated as \$51,600 in land value and \$213,100 in dwelling value. (Exs. A & B).

Brown petitioned the Board of Review contending the assessment was not equitable compared with the assessments of other like property. Iowa Code § 441.37(1)(a)(1) (2019). The Board of Review denied the petition.

Brown then appealed to PAAB reasserting his claim of inequity and also now asserting the property is assessed for more than the value authorized by law. § 441.37(1)(a)(1 & 2).

**General Principles of Assessment Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. PAAB is an agency and the provisions of the Administrative Procedure Act

apply. § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). PAAB may consider any grounds under Iowa Code section 441.37(1)(a) properly raised by the appellant following the provisions of section 441.37A(1)(b) and Iowa Admin. Code Rule 701–126.2(2-4). New or additional evidence may be introduced. *Id.* PAAB considers the record as a whole and all of the evidence regardless of who introduced it. *Id.*; see also *Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct, but the taxpayer has the burden of proof. §§ 441.21(3); 441.37A(3)(a). The burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Compiano v. Bd. of Review of Polk Cnty.*, 771 N.W.2d 392, 396 (Iowa 2009) (citation omitted).

### **Findings of Fact**

The subject property is a one-story home built in 2000. It has 1892 square feet of gross living area, 1500 square feet of living-quarters quality basement finish, a covered open porch, two decks, a patio, and a two-car attached garage. It is listed in normal condition with good-quality construction (grade 3+05). The Assessor's Office applied 21% physical depreciation. No other obsolescence was noted. The site is 1.580 acres. (Ex. A).

James Brown testified he purchased the property in 2017 for \$282,000. Brown asserts "it is common knowledge that the Assessor's office takes the 'sale price' of a RE property to establish the 'value' of the RE property...." (Ex. 1). He also testified he paid too much for the property. A notation on the property record card indicates the owner probably overpaid. (Ex. A).

In October 2018, Brown requested the Assessor's Office inspect his home. Washington County Assessor Christy Tinnes testified for the Board of Review. Tinnes stated John Kieler, an appraiser with the Assessor's Office, reviewed the subject's assessment. Kieler added basement area under a porch, lowered the grade to 3+05, and changed the quality of the basement finish. These changes resulted in a reduction of \$15,100 to the subject's assessed value between 2018 and 2019. (Ex. A).

The Browns' Appeal form to PAAB indicates their belief the property's correct value is between \$220,000 and \$238,000. The Browns submitted five homes they believe support their claims. A sixth address was listed, but during the hearing Brown indicated he believes he listed an incorrect address for one of the properties and the Board of Review was unable to identify the property. A summary of the Browns' identified properties is shown in the table below. (Exs. 1, J-O).

Address	Year Built	Site Size (Acres)	Gross Living Area (SF) <sup>1</sup>	Basement Finish	Date of Sale	Sale Price <sup>2</sup>
Subject	2000	1.58	1892	1500		NA
1 – 109-111 Alegre Lane	1983	2.99	1955	1200	Aug-08	\$226,000
2 – 1625 Country Club Rd	2013	0.19	1352	900	June-19	\$220,000
3 – 110 N 10th Ave	1974	0.23	2162	1750	Nov-18	\$218,500
4 – 1011 N Iowa Ave	1920	0.67	2816	168	Feb-19	\$162,000
5 – 1302 E Washington	1916	0.39	3449	0	June-17	\$229,000

Comparable 1 has two parcels and is most similar in location but has not sold since 2008. (Ex. J). Tinnes indicated Comparable 1 was much lower in quality and had an awkward floor plan making it an inferior property to the subject. She also questioned the relevance of a 2008 sale. Brown testified the property had been totally remodeled. We agree with Tinnes' concerns and do not find this sale relevant to establishing the subject's 2019 market value.

Comparable 2 is a newer bi-attached townhome and over 500 square feet smaller in gross living area than the subject property. (Ex. L).

Comparable 3 was built in 1974 compared to the subject's year built of 2000. (Ex. M). It is an all brick home and an in-town property. In Tinnes' opinion, it is inferior in location, quality, and condition.

<sup>1</sup> Exhibit 1 lists the comparables' square footage, but we note the square footage listed encompasses both gross (above-grade) living area and basement finish. We have separately listed gross living area and basement finish in this table.

<sup>2</sup> To the right of the list of property addresses on Exhibit 1 is a list of what would appear to be sale prices. The sales prices listed, however, do not always match those provided in Exhibits J-O. We rely on Exhibits J-O for the sale price data.

Comparable 4 is a two-story home originally built in 1920 but moved to its current site. Tinnes testified her office had inspected the property for the 2019 sale and found it had older mechanicals and dated finishes. (Ex. N).

Comparable 5 is also a two-story home built in 1916. (Ex. O). Tinnes testified it fronts a busy street and in proximity to rental properties that are exhibiting deferred maintenance. (PAAB Hearing).

Comparables 1, 3, 4, and 5 were older homes which would have greater amounts of accrued depreciation. All properties, with the exception of Comparable 1, are located on much smaller sites. The Browns did not adjust the comparables for differences to the subject to arrive at an opinion of market value as of January 1, 2019.

The Board of Review submitted six recent sales summarized in the following table. (Exs. D-I).

Comparable Sale	Site Size (Acres)	Year Built	Gross Living Area (SF)	Bsmt Finish (SF)	Sale Date	Sale Price (SP)
Subject	1.5	2000	1892	1500	NA	NA
A – 1293 E Ave S	0.52	2006	1549	1160	1/2019	\$290,000
B – 1426 Ridgeview Ct	0.53	2005	1689	1000	12/2017	\$283,000
C – 2174 Stewart Dr	0.64	2000	1680	1474	8/2017	\$269,900
D – 2727 Trio Ct W	1.06	2001	1787	1300	7/2017	\$300,000
E – 2748 Trio Ln E	1.02	1997	1920	750	4/2019	\$320,000
F – 2188 Biddle Blvd	0.58	2001	1862	1075	11/2018	\$284,000

All of the comparables were on smaller sites, but for the most part were similar in age, size, and basement finish. Tinnes testified most of these properties are in rural subdivisions like the subject. All of these properties sold for more than the subject's 2019 assessed value.

Like the Browns, the Board of Review did not adjust the sales for differences between them and the subject to arrive at an opinion of the subject's January 1, 2019 market value. However, we find them more similar to the subject property than the Browns' comparables. The Board of Review believes the unadjusted sale prices of these properties supported the subject's assessment.

Of the sales offered by the Browns and the Board of Review, we note there are two sales which occurred in 2018. (Comparables 3 and F). A comparison of those sales

with their 2019 assessed values indicates each is assessed for less than their 2018 sales price.

Lastly, Brown testified regarding the increase in the property's real estate taxes from 2012 to 2018. The Property Assessment Appeal Board has no control over property tax levy rates. Moreover, we note the tax years stated in Exhibit 1 pre-date this appeal. Taxes payable on the January 1, 2019, assessment will not come due until September 2020 and March 2021.

### **Analysis & Conclusions of Law**

The Browns contend the subject property is inequitably assessed and over assessed. § 441.37(1)(a)(1 & 2).

To prove inequity, a taxpayer may show an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). The Browns offered no evidence of the Assessor applying an assessment method in a non-uniform manner.

Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The *Maxwell* test provides that inequity exists when, after considering the actual values (2018 sales) and assessed values (2019) of comparable properties, the subject property is assessed at a higher proportion of its actual value. *Id.*

The Browns submitted five properties in support of their claim, one of which sold in 2018. The Board of Review also submitted one 2018 sale. Both 2018 sales in the record have sale prices greater than their corresponding assessed values which indicate properties are assessed at or below market value.

The *Maxwell* test requires a showing of the subject property's actual market value as compared to its current assessment. The Browns' over assessment claim requires the same showing, and we therefore, turn to that claim.

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the

assessment is excessive and 2) the subject property's correct value. *Soifer v. Floyd Cnty. Bd. of Review*, 759 N.W.2d 775, 780 (Iowa 2009) (citation omitted). Sale prices of the subject property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b). The subject's sales price, however, does not conclusively establish its market value. *Riley v. Iowa City Bd. of Review*, 549 N.W.2d 289, 290 (Iowa 1996).

The subject property had a 2017 sale but the Browns asserts it was for more than the property's market value. The Assessor's Office also recognized the Browns may have overpaid for the property. We note the subject's 2019 assessed value of \$264,700 is less than its purchase price of \$282,000.

The Browns did not provide any evidence of the property's value through comparable sales adjusted for differences, an appraisal, or a Comparable Market Analysis (CMA), which is typical evidence to support a claim of over assessment. He submitted five comparables into the record. The Board of Review asserted the Browns' comparable properties were not similar to the subject and we agree.

The Board of Review submitted six unadjusted sales; all which sold for more than the subject's 2019 assessed value. We find these properties are more similar in age, site size, living area, and design than the Browns' comparables.

Viewing the record as a whole, we conclude that the Browns failed to show their property was either inequitably assessed or over assessed.

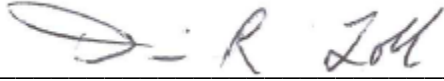
## **Order**

PAAB HEREBY AFFIRMS the Washington County Board of Review's action.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A.

Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action.

Any judicial action challenging this Order shall be filed in the district court where the property is located within 30 days of the date of this Order and comply with the requirements of Iowa Code section 441.37B and Chapter 17A.



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Dennis Loll, Board Member



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Elizabeth Goodman, Board Member



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Karen Oberman, Board Member

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Washington County Board of Review by eFile